

**State of California  
Department of Mental Health**

**REQUEST FOR APPLICATION**

**Supportive Housing Initiative Act (SHIA) for SFY 2001-2002**

**GRANT # SHIA2001-01**

**Pre-Bidders Conference Questions/Answers**

**Sacramento, CA**

**October 18, 2001**

1. **Q:** Do you have any accommodations for small, rural counties? We have a housing shortage at every level and housing is expensive. Lots of people camp in the summer and get conserved in the winter. Resources are scarce and Section 8 list only opens up every few years.

**A:** No. We recognize the challenges faced by rural communities, but the SHIA legislation focuses on permanent housing with supportive services.

2. **Q:** Will you notify us of our scores? Will they be broken out by section?

**A:** No. After awards have been finalized, grantees may contact DMH staff and receive feedback on their applications.

3. **Q:** Will you consider extending the date for which you will allow questions to be asked/answered?

**A:** No.

4. **Q:** What was the amount of last year's program and how much was applied for (total amount requested)?

**A:** Approximately \$21 million was granted to fund 20 projects. We have no statistics on the total amounts requested by all applicants.

5. **Q:** Who would be favored as a lead agency – the service provider or the housing provider?

**A:** DMH does not have a preference regarding which provider acts as the lead applicant when submitting an application for SHIA funds.

6. **Q:** Do services have to go to same units as the rental subsidy?
- A:** Yes. However, additional tenants within the target population may also be served with SHIA-funded services.
7. **Q:** Is there a limit on the number of pieces that a jurisdictional application may contain?
- A:** No.
8. **Q:** Will an application be partially funded, i.e. one project of a three-project application?
- A:** Yes, under certain circumstances this may be possible; however, it is likely that this application will be a less competitive.
9. **Q:** We have a supportive housing program with the housing authority and are considering writing the application to address services for the various programs within the department – serving seniors, people who are homeless, people with mental illness, HIV, physical disabilities. Would we have to submit applications for each different population or would one application be adequate?
- A:** You may submit one application that includes several different target populations. When scoring the application, DMH will take into consideration the overall collaboration and cohesiveness of the application.
10. **Q:** If an applicant wants to provide services to both persons in scattered site housing subsidized by Shelter Plus Care and in units with a SHIA rental subsidy, can this be a single project or would it be considered two projects?
- A:** This type of project may be submitted as one application.
11. **Q:** Is a SRO that has bathrooms down the hall, no cooking facilities for tenants, but serves 3 meals/day, and does linen laundering for tenants considered “independent living” enough to qualify?
- A:** This type of project is eligible for funding. However, when scoring the application it may be less competitive when compared to other similar applications that propose a more independent model for providing services and housing. It would be very important to clarify how this model supports independent living and tenant autonomy.

12. **Q:** Are there any Fair Housing potential problems with limiting housing to people with a particular disability or any disabilities?

**A:** Yes. DMH encourages applicants to seek professional advice if there is any question as to whether their applications may run afoul of non-discrimination and fair housing. A useful resource is *Between the Lines, A Question and Answer Guide on Legal Issues in Supportive Housing*, recently published by the Corporation for Supportive Housing. This document is available online at [www.csh.org](http://www.csh.org).

13. **Q:** We are currently receiving SHIA funding for supportive services. Can we request SHIA funding under this RFA to expand services (by hiring a housing coordinator/specialist) for the existing SHIA clients, or do we need to expand the number of client slots?

**A:** SHIA funds can be used to hire a housing coordinator. You must provide details within the narrative as to how this position will enhance your existing project. Expansion of a project not only includes an expansion of available housing units but also may include an expansion of services to existing clients.

14. **Q:** Our county is planning on using AB 2034 funds to purchase mobile homes. Acquisition funds are 80% secured and we are almost ready to start. Will a purchase contract address the issue of site control?

**A:** Yes, a purchase contract is allowable to prove site control. However, prior to funding, final documentation providing evidence of ownership will be required.

15. **Q:** Will the rental subsidy apply to mobile homes and if so, will it reimburse at the same 120% of Fair Market Rental rate?

**A:** Yes, the rental subsidy may be used for mobile homes. When determining the adequate funding level for leased projects, HCD will look at comparable market rents and lease rates for other spaces within the trailer park, as well as at the HUD Fair Market Rents. For projects that are owned by the sponsor, the rental subsidy is sized to fill the gap between the costs of operation and allowable rents; in this situation, the FMR-based limit is irrelevant.

16. **Q:** Can we target units and master lease by attrition (i.e., find a SRO, execute a memorandum of understanding that as units become available we will master lease)?

**A:** Yes, provided that SHIA funds are only used to pay for tenants that are within the target population. You must be able to demonstrate in the

application that the turnover is sufficient to ensure that all subsidized units will be filled by the target population by the end of the first grant year.

17. **Q:** Is there a limit on debt service?

**A:** Yes, there is a limit on debt service that may be covered by SHIA rent subsidy funds in projects owned by the grantee or their affiliates. For these projects, debt service attributed to SHIA-assisted units (paid for by SHIA funds or tenant rents) may not exceed \$1,000 per unit per year.

18. **Q:** A county agency is willing to purchase additional low income units, another county agency is willing to finance the purchase and mental health will provide services. The purchase is contingent on this grant award. Is this considered “site control”?

**A:** Yes, you can use an executed option to purchase or purchase contract for this purpose, and it may contain contingency provisions. Prior to receiving any grant funds, you will be required to submit evidence that the county agency has purchased the units.

19. **Q:** Can amounts of rent support provided by Shelter Plus Care funds, or the participants’ rent share, be used toward the match for supportive services?

**A:** Shelter Plus Care funds may be used toward match for supportive services. Tenant rent contribution may not be used as match for services.

20. **Q:** If we hire staff with SHIA funds can we use Medi-Cal funding for match?

**A:** Yes, if you are a Medi-Cal provider and are providing the services directly to the tenants.

21. **Q:** Will the purchase of mobile homes for AB 2034 clients be considered a new development project and, therefore, be eligible for the \$7 million new development set-aside?

**A:** This housing model is eligible for the \$7 million set-aside as long as the units are permanent housing and are dedicated for SHIA tenants.

22. **Q:** If a development project has completed its construction and undergone lease-up prior to the SHIA rental subsidy starting, but has a demonstrable operating gap, will the project be considered new development?

**A:** A project that has been leased up at the time of application will not be considered a development project for the purposes of the \$7 million set-aside.

23. **Q:** If a project is designed to use scattered site housing, subsidized through tenant based Shelter Plus Care or Section 8 vouchers, what level of site control is sufficient for the SHIA application since in many cases the specific housing unit would not be identified until the participant is enrolled?

**A:** SHIA rental subsidy funds cannot be used for units subsidized by Section 8 or Shelter Plus Care. For projects for which only supportive services funds are requested, where tenant based rent subsidies are to be provided under one of these federal programs, the applicant need only have site control on a month-to-month basis. Some possible sources of documentation for site control in scattered-site housing include letters of commitment from property owners or evidence of an established relationship between a landlord and project sponsor for the rental of identified units.

24. **Q:** If a project envisions using scattered site housing units, subsidized with tenant based Shelter Plus Care or Section 8 vouchers, that are owned or managed by numerous persons/property management firms, is there an alternative to describing or providing evidence of property management expertise?

**A:** Yes. If the housing will be assisted through these federal, tenant based rent subsidy programs, the alternative is to demonstrate that the applicant has a property or housing coordinator with a history of successfully operating a special needs housing program and effectively dealing with multiple property owners/managers serving the project's target population.

25. **Q:** If an applicant has two project elements (one using scattered-site tenant based Shelter Plus Care, the second units using SHIA rent subsidies), which share a set of support services, can the match generated in one project element be used to meet the requirements of the other project element?

**A:** Yes, this may be possible; however, when reviewing and scoring the budget and match sheets, sources of match will be analyzed for their ability to sustain the project after the grant period ends.